

**STATE OF CALIFORNIA
DEPARTMENT OF INSURANCE
45 Fremont Street, 21st Floor
San Francisco, California 94105**

ADDENDUM TO FINAL STATEMENT OF REASONS

RH 05044124/05044134

UPDATE TO THE INFORMATION PRESENTED IN THE INITIAL STATEMENT OF REASONS

Section 2695.11(a)

The word "such" is not in the published regulations so the word does not have to be removed.

Section 2695.12(a) (2)

The word "California" is already in the published regulations so it does not need to be added. In addition, this section is not being re-lettered.

Section 2695.12(a) (7)

This section is not being re-lettered.

UPDATED INFORMATIVE DIGEST

The Informative Digest in the Notice of Proposed Action and Notice of Public Hearing is incorporated herein by reference.

MINOR TEXT REVISIONS FROM 45-DAY COMMENT PERIOD

Section 2695.7(b) (1)

The words "applicable law" are added in response to the written comment of Dave McClune, California Autobody Association.

Section 2695.8(b) (3)

The words "or other approved sources" is added in response to the written comments of John Benton, Government Strategies. The words "Notwithstanding" are changed to "Notwithstanding".

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2695.12(a) (7)

The word "by" is being added before "the Department" in response to the written comment of Scott Schrum, Safeco.

OTHER MINOR CHANGES

There were other minor changes in punctuation and grammar for clarity purposes.

CLARIFICATION ON 45 DAY RESPONSE TO COMMENT

In response to comment of Steve Schrum, reference should be to Section 2695.12(a) (7) not 2695.1(a) (7).

SUPPLEMENTAL RESPONSE TO 45 DAY COMMENTS

Section 2695.2(s) - Response to comment of John Metz

The Commissioner has considered this comment and rejects it. The evidence or documentation should not have to be in the claimant's possession for the insurer to consider it. Rather, if the insurer happened to obtain proof of claim through some other means than the claimant, it should still consider it.

Section 2695.7(g) (7) - Response to comment of John Metz

The Commissioner has considered this comment and rejects it.

A claimant represented by counsel is in a better position than a claimant not represented by counsel to determine whether the insurer's settlement offer is unreasonably low.